

Moving parts

Leading distributor relies on B2B solution to win over customers – and new business



When an industry stalwart decides to pursue e-business with a passion – watch out! In the case of Gustave A. Larson Company, technology innovation has yielded some astonishing results.

Founded in 1936, the Larson Company is the Midwest's leading wholesale distributor of heating, ventilation, air conditioning and refrigeration (HVACR) equipment, parts and supplies. With 24 branches serving nine states, the company manages a multi-million dollar inventory of 32,000 items – everything from air cleaners and air conditioning units to furnaces, fan blades and refrigerators. In a competitive market, the pressure to squeeze every nickel from the supply chain and maintain narrowing profit margins is fierce.

Yet the Larson Company knows that its competitive advantage comes from serving its customers right. In the age of the Internet, that means doing business-to-business (B2B) commerce over the Web. It may not seem like an easy, affordable transition for a company still relying on green screen access to its data and loads of proprietary software applications to run its business. But thanks to Systems and Programming Solutions, Inc. (SPSI), an IBM® Premier Business Partner, and fast, reliable technology from IBM, the Larson Company has successfully bridged the B2B gap.

“Our goal is to make it easy for customers to do business with us,” explains Frank Mirocha, Vice President of Operations for the Larson Company, “so they’ll keep coming back for more.” That means serving up what customers want: speed, convenience, and accurate, timely information.

Unfortunately that wasn't always what they were getting. Because of the seasonality of the business, peak summer months could become cumbersome to customers. Mr Mirocha describes it this way, “the adage that it's too costly to build a church parking lot to handle an Easter crowd all year long holds true in our business, but our B2B commerce may be helping us do just that.”



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– Frank Mirocha, Vice President of Operations for the Larson Company

An IBM solution from SPSI makes it easy to do business

When busy contractors began asking for faster service, Mr. Mirocha wondered, “What if they could order over the Web, and pick up the merchandise pre-packaged, ready to go?” “That was my vision,” he says, “but it took SPSI to make it a reality.”

SPSI has been providing technology solutions to a wide range of companies throughout Wisconsin and northern Illinois since 1987. The company configures, installs and manages hardware, and offers other services such as application development, system implementation and Web development. Like the Larson Company, SPSI is focused more on customer need than on technology, a frame of mind that has earned it an incredible 99 percent customer retention rate!

IBM/SPSI: A winning combo

For the Larson Company, SPSI’s solution was to upgrade the existing IBM AS/400® hardware rather than moving to a new platform, and to develop an appropriate interface. The Larson Company had already incorporated frame relay data transfer and TCP/IP communications protocol at its 24 locations.

“As all the information was available on the AS/400, I figured ‘why not serve it up to the Web via the AS/400?’” recalls Alan Nosbusch, Executive Vice President, SPSI. But as a production computer running inventory control, order entry, general ledger and other applications, the hardware was upgraded to the IBM @server iSeries® Model 720, which can run multiple workloads on a single server for simplified management. The upgraded server also offers dramatic growth options, and the power and flexibility for both e-business and core business applications.

As a result of the Web interface developed by SPSI, customers can now log on to the Larson Company site 24/7, view descriptions of items, prices and availability, and submit orders. They can access their own account to view previous purchase orders, the amount they owe, and more. All accurate data, supplied in real time.

IBM Business Partner:	Systems and Programming Solutions, Inc. (SPSI)
Solutions:	Hardware, Software and Connectivity Services
Territory:	Wisconsin and Northern Illinois
Customer Target:	Web Enablement, IBM @server iSeries, Cross Industry

Real-time accuracy

Real-time information was a primary reason for sticking with the proven IBM server platform. But it wasn’t the only one.

“The IBM @server iSeries simply never goes down, and it has great security,” attests Mr. Mirocha. “We also use other NT servers, but as good as they get, they’re simply never as reliable and secure as the IBM @server iSeries”

By sticking with its existing platform architecture, the Larson Company could reduce wear and tear on its network, and retain proprietary applications, preserving earlier IT investments while reaping rewards of the new IBM @server iSeries technology. Even better, a massive amount of stored historical data could be brought right to their customers’ fingertips.

Customer collaboration

“SPSI did a terrific job, developing a demo so we could pilot the system with a few customers and solicit their feedback,” says Mr. Mirocha.

The results were so positive that the Larson Company has been rolling out the functionality to more and more of its customers ever since. As they self-serve over the Web, the company is processing more business with the same number of people.

“From the customer’s point of view, service and accuracy of orders has definitely improved,” says Mr. Mirocha. “We’ve eliminated the line-ups and hassle factor.”

All of which is paying off in increased business and customer loyalty. One customer, he notes, who used to do about \$400,000 a year with the Larson Company, is now expected to spend \$1.5-\$2-million. “That business didn’t just crawl out of the woodwork,” he says. “Obviously, we’re picking it up from our competitors.”

More to come

With all that, Mr. Mirocha figures there’s much more B2B to do, but the Larson Company is taking it in easy and economical steps. It’s now building templates for big, repeat customers, so they can quickly create an order, customized to their needs. Also in the works is a complete cross-reference list for all the pieces of equipment carried by the company so that a contractor can quickly locate a part for a particular furnace or air conditioning model.

“With the help of SPSI and IBM technology, we’re continually enhancing our reputation as a supplier that’s easy to do business with,” he adds. “And when you’ve got customers locked onto your B2B Web site, what more could you ask for?”

For additional information on how **Systems and Programming Solutions, Inc. (SPSI)** can help your organization, contact us at **414-302-2929** or **1-800-353-7774**, or visit our Web site at **www.spsinet.com**

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